

Bureau of Governmental Research (BGR) Wednesday, April 3 @ 8AM Westin New Orleans Canal Place Thank you for having me.

On May 7, 1718 Jean Batiste Le Moyne de Bienville put his flag in the ground and established a new outpost at the edge of a still unnamed America. From just a few hundred souls this La Nouvelle-Orleans grew to be a great city, an international capital, and a Mecca for diverse peoples who put down roots and created a deep, unique culture.

Since these early beginnings our city has gone though ups and downs. We hit our high water mark for population in 1960 with over 625,000 people. It has been a downtrend ever since and seven years ago most had left us for dead. But we proved them wrong and persevered through the hell and high water.

In the last 3 years we have captured momentum and are on an upward trajectory. Walter Isaacson puts it best saying that we are in the midst of a New Orleans renaissance.

Every day we keep the pedal to the metal, pushing it harder, faster. It's taken a lot to get us to this point and our continued success is not a fait accompli.

I am thankful for your engagement in the issues facing our city and for the spirited debates we have about the best ways to keep New Orleans moving forward.

During my administration we have all worked together across the lines that divide us and made great progress for our city.

Indeed, for years many of you in this room have been passionate advocates for reform and change, but the change just never seemed to come.

Decades passed and problems from a dysfunctional criminal justice system, crumbling infrastructure, unfunded pensions and violent crime just seemed to get worse and worse

Well, the Reverend Al Green was right- it's been a long time coming... but a change gonna come.

Everywhere you look progress is being made.

According to the Census, we are one of the fastest growing cities in America for now the second year in a row. Our regional unemployment rate is well below the national average.

Home sales and prices are up. Our schools have improved rapidly, with a major decline in dropouts and double-digit student achievement gains in nearly every subject.

In health care, the Robert Wood Johnson Foundation just recently recognized us as one of the most rapidly improving cities in terms of health. The region's network of over 88 neighborhood primary care clinics is unlike anything in the country and soon this cutting edge system will be anchored by a brand new, world class VA-LSU medical center that is coming out of the ground.

The Wall Street Journal says New Orleans is #1 for most improved city for business. Forbes says that New Orleans is America's biggest brain magnet.

Everyone else just says that New Orleans is the place to be, the coolest city in America.

In 2012, we won the prestigious, World Tourism Award and Travel & Leisure Magazine readers named us America's favorite city to visit. Our region rallied together like never before and New Orleans won accolades as one of the best host cities in Super Bowl history. And we just came off of a great Entrepreneur Week.

City Hall was a road block to creating jobs so we launched the public-private partnership NOLA Business Alliance, and we've created over 4000 new jobs and dozens of new retail projects in three years.

The Public Belt Railroad was broken, so we fixed it. NORD was struggling, so we doubled funding for recreation and created the NORD Commission.

Y'all had been saying it for years, the city's procurement process was in disarray, so with the stroke of a pen I signed a series of executive orders to level the playing field, stamp out corruption and cronyism and start moving city contracting in the right direction—awarding contracts based on what you know, not who you know.

We're rebuilding the city better than it was before the storm, and the City's progress is manifest by hundreds of millions of dollars in infrastructure improvements- roads, libraries, police and fire stations, NORD facilities, parks and playgrounds.

NOLA311 is up and running-- taking resident complaints with tracking numbers. Our One Stop Shop for permitting is blowing and going, making permitting much easier for our customers. And in the last two and a half years 19 boards or commissions have been cut, reorganized, or consolidated and we have rapidly improved our bond ratings going from sub-investment grade to strong A and B ratings.

And perhaps most importantly, we have had three years of balanced budgets. The result-- City Hall is spending about \$40 million LESS per year than the year before we took office. And we're delivering MORE.

More recreation for our kids, more blight eradication, more, better customer service, and more accountability.

We achieve a lot when we seek and find common ground, and if we continue to work together we will accomplish great things for all of New Orleans.

But, although this progress is wonderful, as every parent knows, you can never be happier than your saddest child.

Last year, 193 of our fellow citizens were murdered in this city. My blackberry buzzes in the middle of the night and its always the same story- 'Mr. Mayor... so sorry to inform you... young black male found in the street... multiple gunshot wounds to the head... pronounced dead at the scene.'

193 tragic stories and a wake of destruction and heart break. Nearly every day there is a funeral - children bury mothers and fathers, mothers and fathers bury sons and daughters, little kids lose friends to violence before leaving middle school. Lives changed, damage done.

This is unacceptable. This has to stop. Make no mistake, it can be fixed. There is an answer to this problem.

With the help of a grant from Bloomberg Philanthropies, we have developed a comprehensive plan to attack violent crime and murder.

It's called NOLA FOR LIFE because we will end the cycle of violence, and change the culture of death to a culture of life.

And I don't know about you, but I'm not going anywhere.

We all made a decision after Katrina to stay here and fight for the people we love.

I need you to be with me...NOLA For Life.

The pillars of NOLA For Life are really simple:

Stop the Shooting

**Invest in Prevention** 

**Promote Jobs and Opportunity** 

Get involved and rebuild neighborhoods

Improve the Police Department

It begins with a laser focus on a small number of young men who are killing and being killed. Step one is stop the bleeding, stop the death, stop the shooting. Stop the shooting.

It is a huge challenge to turn the tide, but based on the advice of national criminal justice experts and local community leaders we have designed a cutting edge strategic plan.

First, we come with an offer, a way out. Anything they need-just put down the guns. If they make the right choice and accept this offer, service providers across the city stand with us ready to help these young men with education, housing and jobs.

In fact, we established the NOLA For Life Fund at the Greater New Orleans Foundation and last month awarded \$500,000 to 23 local nonprofits like Café Reconcile, Covenant House and Liberty's Kitchen that are helping our young people succeed.

The second message is that if they make the wrong choice and refuse to change- if you shoot... we're coming for you... and all your friends. If one member of the crew shoots, we're on the whole group like gravy on rice.

We established a new multi-agency gang unit, with federal and state law enforcement, the District Attorney and US Prosecutor working side by side with the NOPD, making sure that any misstep by a violent offender gets the full weight of the criminal justice system.

We've already had great success removing 9, 10, 11 members of a violent group from the streets at once...and there are more to come.

But, we all know that we cannot just arrest our way out of this problem.

That's why NOLA for Life puts a heavy focus on prevention.

We are expanding recreational opportunities so our kids can enjoy worthwhile, positive activities and we teamed up with world-class organizations like Nike at Joe Brown Park and the Hornets with Midnight Basketball, which has given over 1500 young men a safe and constructive environment where they can play ball, get connected with resources, and hear positive messages.

We've also helped schools intervene earlier in the lives of children who are at-risk for violence by connecting them with appropriate mental health services and supporting parents and legal guardians of these at-risk students.

The third part of NOLA For Life is promoting jobs and opportunity.

A job is the best way out.

Since taking office, we've doubled the number of summer jobs for kids and rapidly expanded the number of job sites, yet, we need more.

The City's reentry coordinator is creating a pathway so the formerly incarcerated who are returning to their communities can find jobs to support themselves and their family. Plus, the S&WB is about to embark on one of the largest infrastructure projects in New Orleans history- thousands of construction jobs and hundreds more permanent jobs.

The fourth pillar- get involved and rebuild neighborhoods. What you can do.

We will make our neighborhoods safe by turning on every streetlight and eradicating blight.

We will create vibrant communities and are spending hundreds of millions of dollars for new community centers, health clinics, playgrounds and roads.

Again, we are all in this together. We are all responsible. The NOLA For Life campaign invites all of us, businesses, the faith community, neighborhoods, to see the remarkable potential in the lives being lost and the need to help them flip their script. You can provide a job, mentor a child or join us for one of our NOLA For Life days where citizens, city agencies and the NOPD clean-up crime hot spots.

That brings us to the final pillar of NOLA For Life- completely remake the New Orleans Police Department.

Nowhere have we dedicated more resources and attention than to reforming the NOPD from top to bottom. With help from the hundreds of honest, dedicated cops we <u>will</u> reform the NOPD. Nothing else is more important.

We're not waiting for anyone or anything; we are moving forward.

In the old NOPD, residents with complaints about police misconduct hit a brick wall and rogue cops acted with impunity.

In the new NOPD, misconduct is unacceptable. Now, we have a civilian-led Public Integrity Bureau staffed with two FBI agents.

And both the Independent Police Monitor and the OIG are vigilant in their oversight.

In the last 2 ½ years the NOPD has pursued nearly 500 disciplinary actions. 9 have been terminated for untruthfulness and 52 officers have actually been arrested in connection with those cases. NOPD is investigating their own—including use of force. Complaints against officers are down nearly 30 percent since 2010. This is a sign of progress.

In the old NOPD, little was done to build a relationship with the community.

In the new NOPD, Community Coordinating Officers, or CoCos, are at public meetings nearly every night and the new police community advisory boards are giving our residents a voice.

In the old NOPD, technology for ballistics, DNA, and deployment was stuck in the 90s. Rape kits were collecting dust on shelves.

The new NOPD has cleared a backlog of 833 sexual assault kits resulting in 78 new leads and 9 arrests. Finally, some of these victims are getting answers and justice.

With Omega Crime View, we now have a state of the art software package that with pin point, block by block accuracy can target crime hotspots. Officers are placed in the right place at the right time.

In the past, change at NOPD came slow and old school policies and strategies were in some cases fatally flawed.

In the new NOPD racial profiling is unacceptable and will not be tolerated.

We've doubled the number of detectives working in the homicide bureau. The innovative  $\underline{P}$ roject  $\underline{S}$  afe  $\underline{N}$  eighborhood has made over 790 cases against dangerous, armed criminals, and the department has greatly improved evidence management, launched a new domestic violence initiative and significantly raised the bar for hiring and training new officers.

We will not rest on our laurels.

And we've begun an overhaul of the paid detail system, which is being led by a civilian outside of the police department.

This is the new direction of the New Orleans Police Department.

As everyone knows--our problems were not created overnight, and change takes time. We've made huge progress and we have a long ways to go.

Regardless of what is happening with the consent decree, there should be no confusion that we are moving forward, full steam ahead with reforming the NOPD.

This is the new NOPD.

These big issues are not new to you here at the BGR. Indeed, your board and staff has researched and opined about the best way to tackle many of these challenges regarding public safety and more.

We are committed to reforming the NOPD, reforming City Government, and during the Legislative session our agenda will be focused on REFORM.

Reform the Sewerage and Water Board.

Reform the Juvenile Justice System.

Reform the New Orleans firefighters' pension fund.

If we want to compete and grow, we must secure and invest in our infrastructure.

No city can survive, much less flourish without safe drinking water or a properly functioning sewer system. This is the most basic of needs that if not met threatens our safety and security.

After decades of kicking the can down the road and deferring basic maintenance for our sewerage and water systems we have a reached a breaking point. At a minimum, over 40 percent of our water bleeds out of the system before reaching its intended destination.

In the last few years we've suffered through boil water advisories, and the risk of further catastrophic failure keeps me up at night. Plus, the S&WB's water bonds have been downgraded to junk or near junk status. And there's a decades old consent decree for the sewer system.

That's why it was imperative that we finally pass a comprehensive rate plan for our water and sewer systems in December. We were able to do it with support of the BGR, the Business Council, Forward New Orleans, and the New Orleans Citizen Task Force on Water and Drainage Management, along with The Times Picayune, Gambit and the Advocate.

We were finally all on the same page that a rate increase was our only option to fund these much needed long term improvements.

The rate change will generate at least \$583 million, which will help leverage additional federal funds and take care of a large portion of the S&WB \$3.3 billion infrastructure improvement program.

All told, the overall capital plan will create tens of thousands of jobs, including hundreds of permanent water management jobs, which is why we partnered with Delgado on a new certification and training program specifically for this new field.

In addition to the rate increase, our administration has secured over \$200 million in new FEMA funding for sewerage and water projects, plus another \$150 million for repairs to the aging S&WB power plant, on which contracts are already being let.

On top of the infrastructure and jobs, we remain committed to reforming the Sewerage and Water Board's governance and operations. These governance structure reforms will increase performance and accountability. And the S&WB has already committed to install electronic meters and work more closely with DPW to better facilitate design reviews and coordination, while also rapidly improving their overall customer service so residents can manage their accounts online and track work orders.

Our bill, which I want to thank Senator JP Morrell and Representative Walt Leger for carrying, will create a smaller, more professional board—from 13 to 9 members-- so that quorums will more likely be made. We will remove City Council members so that they will not be faced with voting twice on key rate issues. Members will be appointed for 4 years instead on unwieldy 9 year terms. Board members would be limited to serving two consecutive terms. And board members will have expertise in finance or accounting, business administration, engineering, law, public health, among other important and pertinent fields.

Nominations will be put forward by a selection committee of local university presidents representing Tulane University, the University of New Orleans, Loyola University, Southern University of New Orleans, Dillard University, Xavier University, and Delgado Community College.

The Mayor will select from the Committee's nominations and send that choice to the City Council for approval. This isn't a short term fix. Like we did with the Public Belt, all of these changes will go to a vote of the people this fall to be memorialized in our City Charter.

I once again want to thank the BGR for its partnership in being a catalyst for change at the Sewerage and Water Board, and I look forward to your advocacy on behalf of these changes this spring and fall.

In addition to reforming the S&WB, this legislative session we will take steps to address our ballooning unfunded liabilities, including the many pension funds for municipal employees.

We will continue to work closely with our pension boards to address unsustainable cost pressures which threaten to undermine both the city's budget, and the promises we have made to our retirees. We want to work together to curb costs and deal with this budget-busting issue in a way that honors our commitments.

Unfortunately, the firefighter's pension fund board has not worked with us in a cooperative manner. Make no mistake, I love our firefighters. They do a good job. They put themselves in harm's way to keep us safe.

This isn't about the honor or bravery of our firefighters. It's about their pension fund and finding a way to make the system sustainable for fire fighters working today. We have a shared responsibility to make this right.

When you add in the debt service on pension bonds, we are spending \$50 million this year alone on the firefighter's pensions. If it was a stand-alone department, the firefighters pension fund would be our 5th largest department by spending.

The firefighters pension gets funded of things like grass cutting, filing potholes, fixing streetlights, and hiring more cops.

In the past 3 years, we have made major progress with the City's main pension fund called NOMERS. We've made changes so it is costing taxpayers less while ensuring that it is sustainable and that we are able to honor our obligations to our retirees.

We've made some tough decisions and increased the amount city employees pay from 4% to 6% of their salary. And we changed the way pensions are calculated—averaging the highest 5 years of salary instead of the highest 3.

Just those two things are saving us at least \$3 million annually and NOMERS is funded at close to 80%, the Sewerage and Water Board pension, nearly 83%. I want to thank city employees for working with us to do this.

In stark contrast, the firefighters system is 40% funded. They have refused to reform and pay their fair share.

They won't take less costly benefits—which are more generous than most of yours in this room. Their administrative costs are nearly 7 ½ times those of the State Pension System. They still make horrible investment decisions.

When they lose their shirt on some foolhardy venture like they did with a \$15 million investment in a bankrupt hedge fund in the Cayman Islands, taxpayers at the end of the day foot the bill. When they listen to some hack investment advisor who is under investigation from the SEC it doesn't cost them, it costs you.

Look, our fire fighters have a tough job. They do heroic things to keep us safe every day. And they are not being served well by their pension fund.

That's why we have filed a series of bills aimed at reforming this broken system.

First and most important, we want to change the makeup of the board. We have had success with the municipal employees system because there was shared authority and shared responsibility.

We can best do that by bringing the pension board under local control. Basically, we would dissolve the current board and re-form it with 5 members, with balance between current and retired firefighters, and financial experts from the community and the City.

Additionally, we have filed bills to structurally reform the fire fighters pension. We would bring the employee share from 6 to 10%, which is more in line with other systems, including the police. And we would ensure that the system was sustainable by having firefighters pay into the system after their 20 years of service.

Just those few things could annually save us \$2 million or more. I won't even get into how much it could have saved us if we had made these commons sense reforms in the past- it's to early in the morning to be depressed

We filed many of these same bills last year, but this year, with your support, I am certain we can move these reforms forward. We have no choice. It's too big a liability. And we must ensure the system is sustainable for both the firefighters and the city.

The other thing on our agenda is juvenile justice system reform. We have an opportunity to create a juvenile justice system that is a model and that makes us safer and gives young people the opportunity to turn their lives around.

We're already on the right track. Earlier this year, we broke ground on a \$32-million, state-of-the-art Juvenile Justice Center that will replace the troubled Youth Study Center. The facility was designed in keeping with best practices. For the first time, the center will house both the Juvenile Court and the city's secure detention facility for boys and girls younger than 18 years old.

We have come a long way. In 2007, because of the deplorable conditions at the Youth Study Center, the Juvenile Justice Project of Louisiana filed suit seeking a federal Consent Decree. As we broke ground on the new center, we also broke ties with unconstitutional practices of the past. In January, a federal judge certified that we have met and sustained all the reforms laid out in the Consent Decree.

But our work to improve the system is not done. In the upcoming legislative session, in partnership with the Orleans Delegation and many of the Juvenile Judges, I will support legislation to eliminate 2 judgeships in the Orleans Parish Juvenile Court.

The reasons are simple: the data shows that we do not need six judges and the money we save can be re-invested in prevention and public safety.

I have great respect for each of the Juvenile Court Judges. Notwithstanding the excellent work that they do, we have an opportunity to right-size the court to better serve youth and families. Consider the facts. In 2010, the Louisiana Supreme Court took a hard look at case filings, hours worked and other data to determine the need for judgeships across the state. According to the Judicial Council's Annual Report, the Orleans Juvenile Court needs only one judge, not six. While I do not support eliminating five judgeships, as the report suggests, I do support a reduction of two seats as some judges consider retirement and other opportunities.

The city is currently spending approximately \$435,000 on support staff for each Juvenile Court Judge. By eliminating two unneeded seats, we could save \$870,000 annually. Those dollars are sorely needed to

sustain and enhance funding for prevention and juvenile services – from mental health to job placement to midnight basketball.

Reduce costs. Improve services. Right size the system. It's time to put the politics aside. It's the right thing for our kids and our city, and we simply cannot afford to wait any longer.

So, for all of New Orleans' challenges- whether it is our decaying sewer and water infrastructure, huge unfunded pension responsibilities, or the scourge of crime and murder we must work together to ensure the safety and well-being of our people.

That reminds me an old joke.

It was the middle of the baseball season and the third baseman wasn't doing so good- he dropped a pop fly, a little dribbler went straight through his legs, he overthrew first base on a routine grounder. One fan in particular hurled abuse and hate.

Finally, in the last inning, the 3<sup>rd</sup> baseman had enough and jumped into the stands, grabbed the loud mouth fan and said, 'you think it's so easy, you give it a try!" The third baseman shoved his glove into the fan's chest and pushed him out onto the field.

The fan walked sheepishly at third base and he didn't do much better- he dropped a pop fly, a grounder went straight through his legs and a line drive almost took his head off.

The third baseman was delighted- 'how do you like it now loud mouth?' he yelled.

The fan yelled back 'well you've got this position so screwed up, no one can play it!'

There are major battles ahead and nothing is a fate accompli. We cannot sit on the sidelines and complain. We cannot shirk our responsibility and shrink from these big problems. We've tried that and now the problems are bigger and the remedies more painful than before.

So I come before you today looking for help, looking for support. We need all hands on deck, ready to help us do the hard work of reform.

Let's face our challenges head on together.

Let's keep marching towards reform. Let's not take a step back.

We have made great progress.

And we have a long way to go together.

Thank you.